

METROPOLITAN GOVERNMENT OF
NASHVILLE AND DAVIDSON
COUNTY

RECOVERY PLAN

SLFRF FUNDS
2022 Report



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EXECUTIVE SUMMARY

The Metropolitan Government of Nashville & Davidson County has received a total allocation of \$259.8 million of State and Local Federal Relief Funds. We are grateful for these funds, and our highest priority is protecting our community from the coronavirus pandemic. We are prioritizing this investment in a direct emergency response to COVID-19 and investing in our public facilities to prevent and mitigate community spread of the virus for the visiting public and our public employees.

Additionally, we are mitigating the impacts of the pandemic by addressing the local relief needs of adversely affected individuals, non-profits, and small businesses. Each group has differing and unique needs but all contribute to our community's equitable economic recovery, which is a key focus for these funds.

To handle the expenditures of these funds, a Financial Oversight Committee was created. The Committee is comprised of nine members - six members of the Committee were appointed by the Mayor, and three members are Members of the Metropolitan Council and appointed by the Vice Mayor. The Committee issues reports upon and reviews the use of funds as it deems appropriate. Further, it collects, considers, and recommends appropriate uses of the ARP Funds to be approved by the Metropolitan Council. As of June 30, 2022, the Committee and Council have approved \$129.8M of ARP-funded projects. We are investing in programs and expenditures that focus on the following areas:

- o **Community safety and behavioral health**
- o **Homelessness**
- o **Affordable housing and household assistance**
- o **Equity-based economic support for the public (small businesses)**
- o **Supplemental operations to existing budget**

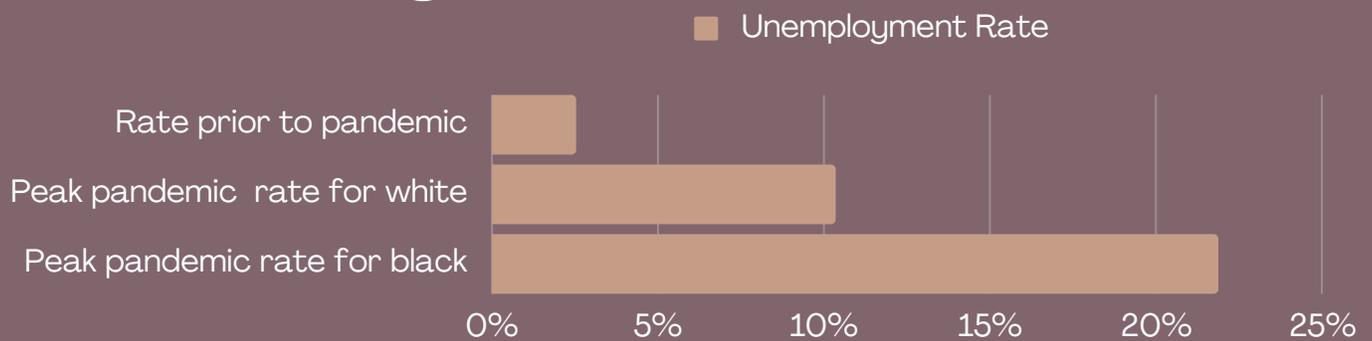
Where possible, we are investing in evidence-based programs with proven successes to address fundamental equity disparities made more visible by our state of emergency in the past 18 months. These programs optimize and align where possible to existing federal and state funding.



Climate of Nashville Pre-American Rescue Plan Funding

Each year, the Nashville Area Chamber of Commerce publishes a Vital Signs report to encompass the socioeconomic climate of Nashville and its surrounding area. To provide insight into the pandemic's effects on Metro's community, below are statistics taken from the 2020 Vital Signs report*:

Unemployment



Childcare

- 50.7% of Vital Signs survey responders remarked that childcare affects their work
- 48% of Tennesseans live in a childcare desert, meaning their census tract has either no child care providers or so few options that there are more than three times as many children as licensed child care slots.

Affordable Housing

- 36.7% of the Vital Signs survey responders remarked that they spend over 30% of their take-home pay on rent or mortgage
- 41% of the Vital Signs survey responders who rented their place of living reported having fear of their ability to pay rent in the next six months

Source: https://s3.amazonaws.com/nashvillechamber.com/PDFs/VitalSigns_2020.pdf

Total Federal Aid to Metro during the Pandemic

ARP Funds

The federal government provided funding at both the city and county level, awarding a total of \$259,810,600 to Nashville and Davidson County.

Emergency Rental Assistance

The federal government awarded Metro Nashville and Davidson County \$20.9M in the first ERA funding wave, \$23M in the second, and \$30.6M in ERA reallocation, totaling approximately \$75M in awards.

CARES Act Funds

The federal government allocated \$121,122,775 to Metro Nashville and Davidson County.

FEMA Reimbursement

Metro Nashville and Davidson County is in an ongoing process with FEMA for reimbursement of pandemic-related expenses. As of this report, FEMA has obligated 13 of Metro's projects, totaling over \$20M. Upcoming projects are pending review and obligation.

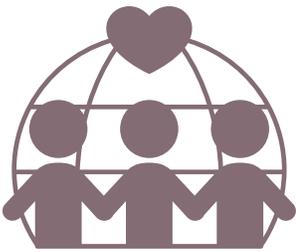
Total ~ \$476M

USES OF FUNDS

for Metro's five main targets



community safety and
behavioral health



homelessness



affordable housing
& housing assistance



equity-based economic support for
the public (small businesses)



supplemental operations to
existing budget

REVENUE REPLACEMENT

Per guidance from the U.S. Treasury, a government may calculate the growth rate of the area and deduce from that percentage the expected revenue loss during the pandemic. The entity then may use up to that amount in ARP funds to pay for government services while also providing fiscal relief. Metro Nashville's revenue loss calculation accounts for nearly the total allocation of ARP funds.

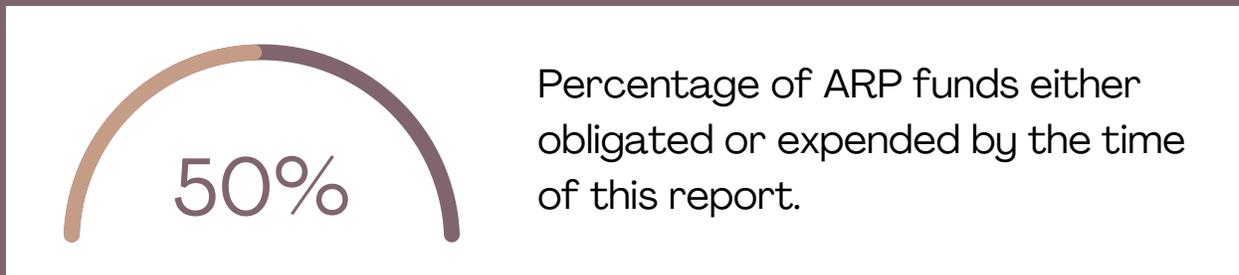
Since this category is the most flexible, and all projects funded by ARP money in Metro follow the eligibility requirements, Metro has listed all projects as Revenue Replacement but has broken them down in this annual report in categories to provide the public insight into the ongoing and future uses of these federal funds. All funding requests have gone through the COVID-19 Finance Committee as well as approved by the Metro Council.



Metro Nashville and Davidson County operates as a combined city-county government, and as such the city and county were both awarded American Rescue Plan funds. The federal government allocated a total of \$259,810,600 to Nashville and Davidson County. We received our first tranche in June 2021. We received our second tranche in July 2022. As of this report, 6/30/22, Council has only obligated the first half of our payments. For a project to receive Metro obligation of ARP funds, the project must be presented to the COVID-19 Finance Oversight Committee and then passed by Council.

\$129,835,686 obligations by Metro Council

\$129,974,914 funds still left to be obligated



EQUITABLE OUTCOMES

Summary

Metropolitan Nashville & Davidson County seeks meaningful results in the use of the State and Local Fiscal Recovery Funds, SLFRF, with a particular emphasis on using these funds to mitigate impacts of COVID-19 for our communities that have experienced disparities in both the pandemic itself and historically. Along with proposing guiding principles and priorities outlined above, which emphasize consideration of equity both in immediate relief and economic recovery support and in addressing structural inequality in systems such as health, safety, housing, and infrastructure, we are approaching our use of funds in the following ways:

- Incorporating research studies such as the annual Community Needs Evaluation on community disparities, poverty, vulnerable populations, and economic mobility sourced by the Metropolitan Government Department of Social Services Division of Strategic Planning & Research and utilizing source data such as the US Census, US Bureau of Labor Statistics, The Opportunity Atlas, Opportunity Insights, Pew Research Center, Tennessee Department of Labor and Workforce Development, the Tennessee Commission on Children and Youth and the American Community Survey.
- Our Fair Share study conducted by The Equity Alliance, commissioned by the Metropolitan Government of Nashville & Davidson County to provide an overview of the pandemic's impact on Nashvillians, with a particular focus on the city's most vulnerable communities of color in the city's 12 hardest hit zip codes. This report released in fall 2020 used data from a representative survey of more than 8,505 Nashvillians. To best give examples of how Metro is utilizing ARP funds to promote equitable outcomes, we have detailed responses from our two largest projects, \$40.2M to Affordable Housing and \$20M to the Nashville Small Business Relief Fund.
- Our Chief Diversity, Equity, and Inclusion Officer is engaged in the review of proposed relief and recovery programs and those addressing disparities to ensure they will be designed to promote equitable outcomes and meet the requirements following: community engagement, fair labor practices, and evidence-based interventions.

EQUITABLE OUTCOMES

Nashville Small Business Relief Fund

The Mayor's Office of Economic and Community Development created a fund to help small businesses throughout the Metropolitan Nashville and Davidson County with a focus on businesses in North Nashville/Bordeaux and other areas of distress. This fund supports local economic development by maintaining small business operations, retaining employment, and creating new areas of growth in Metropolitan Nashville.

This program, the Nashville Small Business Relief Fund (NSBRF), was awarded \$20M in ARP dollars. \$9M is allocated to a grant program under the NSBRF, in which \$2.65M goes towards small businesses in North/Nashville/Bordeaux, \$3M for businesses in distressed areas of Davidson County, and \$3.5M for businesses throughout the county that meet the guidelines of the program. Another \$9M was allocated to a Nashville Opportunity Fund that is managed by Pathway Lending in which \$2.5M of the allocation focuses on providing loans to businesses in North Nashville/Bordeaux that meet the requirements of the program.

Grant awards will be calculated based on a business's annual gross receipts. Grant amounts and calculations are subject to change by Metro Nashville:

- Annual gross receipts: \$10,000 - \$50,000: Award is up to \$5,000/ business
- Annual gross receipts: \$50,001 - \$100,000: Award is up to \$10,000/ business
- Annual gross receipts: \$100,001 - \$1,000,000: Award will be capped at 10% of gross receipts (maximum grant is \$35,000)

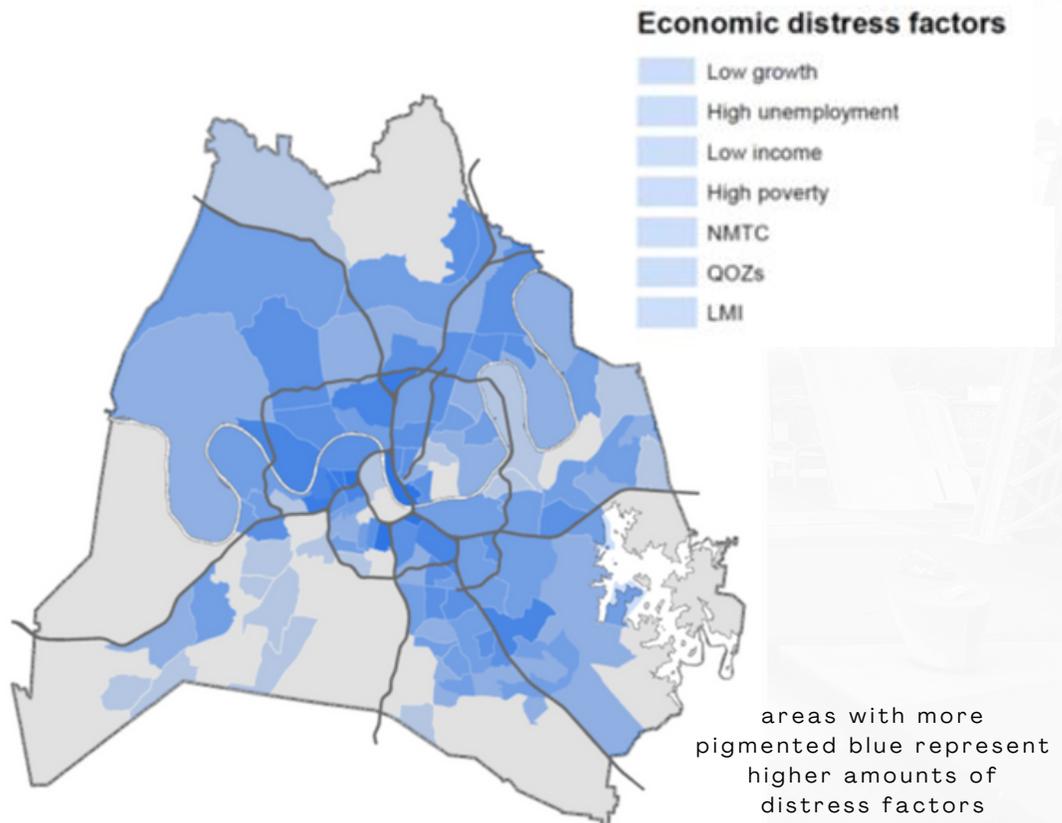
Marketing/Outreach and Technical Assistance: Multiple virtual information sessions were held for any community small business to attend and receive marketing and technical assistance advice. Information sessions were held in English and Spanish. An informational PowerPoint will be uploaded to the City's website along with a recorded informational session in English and Spanish. This outreach, part of the NSBRF, is done by non-profit organizations to provide technical assistance, marketing, and outreach to the small businesses in Nashville and Davidson County.

EQUITABLE OUTCOMES

Nashville Small Business Relief Fund

The Nashville Small Business Recovery Fund is largely designed around supporting disadvantaged businesses in underinvested communities. The areas are defined as follows:

- Low to Moderate Income (LMI) Census Tracts in Davidson County
- Opportunity Zones in Davidson County
- NMTC eligible Qualified Census tracts in Davidson County
- Census tracts with a poverty rate greater than 30%
- Census tracts where the median family income is at or less than 60% of the Metro area median family income
- Census tracts where the unemployment rate is greater than 1.5x the national average
- Census tracts where the population change from 2010 to 2020 was less than 6%
- North Nashville Zip Codes were also a focus area for the program



EQUITABLE OUTCOMES

Affordable Housing

Barnes Fund

The Barnes Housing Trust Fund is overseen by a Commission comprised of five community members, one appointee from the Metropolitan Council, and one Metropolitan Housing and Development Agency appointee. All grants are obligated to grantees on a reimbursement basis with a two-year contract. This contract ensures properties receiving the funding remain affordable for 30-years for rental and homeownership construction and 5-years for single-family home rehabilitation. The Barnes Housing Trust Fund defines affordable as 60% of the HUD area median income (AMI) and below for rental developments and 80% AMI and below for homeownership. Applicants may also apply for Metro-owned delinquent tax properties as part of their funding proposal through the Barnes Housing Trust Fund. All contracts are reviewed by the Metropolitan Council prior to approval.

Low-income tenants and homeowners are diverse in their experiences, backgrounds, and cultures. They are all, however, experiencing high levels of displacement and cost burden that prevent them from staying in Davidson County for myriad reasons all connected to availability of rental and homeownership opportunities for income-restricted residents. Without access to safe and affordable housing opportunities, all areas of community wellness are at risk; health, workforce, community revitalization, access to green space and sustainability measures, etc.

Metro Council approved 20% of the total funding pool (\$4M) to go towards non-profits with less than a \$2M operating budget. An additional subsection was also created for proposals within the Urban Zoning Overlay to address access to the highest need, transit-oriented development for income-restricted residents

EQUITABLE OUTCOMES

Affordable Housing

Catalyst Fund

Metro Nashville is considering how the ARPA funds can be used to produce equitable outcomes at every level of impact and investment. The procurement process for the Catalyst Fund incorporates diversity scoring into the final decision in the selection of an asset manager. This incorporation of equity into the asset management has been proven to impact investment decisions. Additionally, the term sheet for investment decisions will incorporate prioritization for minority developers. Finally, the outcome for residents is an increase in housing security which disproportionately impacts residents of color.

In the current state of Metro's housing market, residents seeking affordable housing must call 15-20 providers to see if a unit is available. Then, they complete separate affordability certification documents for every provider. Different properties have different requirements based on their funding source or impact focus. The burden on our residents is too great, and a Centralized Housing Platform, a tool that is part of the new Catalyst Fund, is Metro's solution. The \$200,000 investment in this tool from ARP funds centralizes units to increase transparency, efficiency, and choice for residents, building toward the City's goal of housing security for all. With access to safe and affordable housing opportunities, all facets of community and household wellness can improve including: health, workforce, community vitality, educational outcomes, proximity to green space and transit access.

COMMUNITY ENGAGEMENT

All approvals for obligation of ARP funds were first reviewed by the COVID-19 Financial Oversight Committee and then voted on by the Metro Council. By including the legislative branch of our city-county government, we ensure that all districts are represented in the handling of these funds. All meetings of the Financial Oversight Committee are publicly noticed, open to the public, and broadcast live on one of the Metro Nashville Network channels when feasible. If a meeting cannot be broadcast live, it is recorded and aired on one of the Metro Nashville Network channels within 48 hours of the meeting.

The COVID-19 Financial Oversight Committee launched an online community survey through hubNashville in January 2022 to gauge Nashvillians' priorities. The survey was made available to all Nashville residents and asked participants to rank the importance of 22 possible investment items. In total, 2,116 residents responded. Survey participants also had the option to submit their own spending categories.

Community Survey Results:

	Proposed Spending Options	Weighted Avg Level of Importance	Obligated Funding as of 6.30.22
1	Affordable Housing	1.82	\$55,200,000
2	Sheltering and Wrap Around Services for Helping Homelessness	1.83	\$1,508,400
3	Access to Childcare	1.86	\$7,519,000
4	Community Safety	1.97	\$1,360,000
5	Funding for nonprofits focused on Behavioral Health Crisis Services	1.99	\$4,060,796
6	Public Health, Medical Examiner, Fire Dept Facility & Equip Needs	2.07	\$7,410,000
7	Serving vulnerable populations through funding for: Serving Seniors through Nutrition Programs	2.12	\$33,000
8	Response Fleet & Equip (1st Responders & Public Safety)	2.22	\$17,192,254
9	Rent, Mortgage, and Utility Assistance Available	2.25	\$3,000,000
10	Vaccination/Testing Assessment Centers	2.26	\$1,000,000
11	Stormwater Mitigation and Sustainability	2.27	
12	Serving vulnerable populations through funding for legal: Public Defender and Legal Aid Fund	2.40	\$4,421,436
13	Small Business and Economic Recovery	2.44	\$22,406,000
14	Funding for nonprofits focused on workforce assistance/job training	2.48	
15	Improved and Increased Green Space	2.51	\$1,260,000
	Other		\$3,464,800
		Total as of 6.30.22	\$129,835,686

LABOR PRACTICES

Metro Nashville is reporting all ARP expenditures under government services as per the guidance of Treasury by using the provided revenue replacement calculation. Therefore, the labor practices section is not applicable for Metro; however, all projects using ARP funds strictly adhere to Metro's procurement regulations, found below:

<https://www.nashville.gov/sites/default/files/2022-07/Procurement-Regulations-May-2022.pdf?ct=1658835478>



USE OF EVIDENCE

research-base for Metro's largest projects to date*

*as of 6.30.22



Affordable housing

100% of of Metro's obligations to affordable housing is founded by published research studies
\$55.2M

New Housing in High-Productivity Metropolitan Areas: Encouraging Production by the U.S. Department of Urban Housing and Development

<https://www.huduser.gov/portal/publications/New-Housing-Production-Report.html>

Voucher Homeownership Assessment: Volume 1 - Cross-Site Analysis | Volume 2 - Case Studies by Abt Associates

https://www.huduser.gov/portal/publications/hsgfin/msd_vol1_vol2.html



Small Business Relief

100% of of Metro's obligations to assist small businesses is founded by published research studies
\$20M

The Effects of the COVID-19 Pandemic on Small Businesses

<https://cdn.advocacy.sba.gov/wp-content/uploads/2021/03/02112318/COVID-19-Impact-On-Small-Business.pdf>

COVID-19s Effect on Minority-Owned Small Businesses in the United States

<https://www.mckinsey.com/industries/public-and-social-sector/our-insights/covid-19s-effect-on-minority-owned-small-businesses-in-the-united-states>

USE OF EVIDENCE

Metropolitan Nashville & Davidson County understands the emphasis of using these funds for evidence-based interventions, specifically for projects targeting pandemic-related negative impacts on public health and economics. Below are Metro's three largest current projects, the Barnes Fund, the Catalyst Fund, and the Nashville Small Business Relief Fund, and their uses of evidence:

Barnes Fund (\$20M)

Barnes Housing Trust Fund is a proven tool for funding successful unit developments for homeowners and rental tenants. To date, Barnes has funded more than 3,500 units in Davidson County with a \$70M investment, 24 community partners, and a total portfolio leverage of 6:1 since its inception in 2013. Barnes continues to monitor each development through the entire process and only grants monies on a reimbursement basis with external inspection reports. Nonprofit developers have multiple projects in the pipeline, and the only bottleneck to increasing affordable housing supply is funding. The Barnes Fund is an efficient, effective funding tool for affordable housing development. An additional funding round will be invested in developments that are ready to proceed but only need equity to help unlock bank loans. On average, each Metro dollar into the Barnes Fund leverages an additional \$7 in private, philanthropic or state/federal funding. This housing is affordable for 30 years which provides essential stability for Nashvillians.

\$20M will provide an additional round of funding that is being launched at the time of this report. The current round is open, and awards will be finalized before the end of the year. These equity grants provide an invaluable source of funding to support nonprofit housing developers as they create and preserve units throughout the county.

All Barnes awards are made after an open and competitive application and review process. The final contracts are structured on a reimbursement basis. Work is completed, inspected by a third party, and reviewed by staff before funds are disbursed. This monitoring is invaluable to not only ensure strong stewardship of public funds but also to allow us to work closely with our grantees to navigate any challenges that may arise in the development process

USE OF EVIDENCE

The Catalyst Fund (\$20M)

The housing market nationally and locally remains extremely competitive and state law prevents us from providing expanded tenant protections. Timely, strategic housing preservation is a crucial aspect of housing stability, especially for residents who are especially exposed to economic pressures. The Catalyst Fund allows developers to compete against market rate developers in speed and offer structure to preserve affordable housing. Additionally, when proposed investments are announced, proactive acquisitions can be made to develop affordable housing near assets.

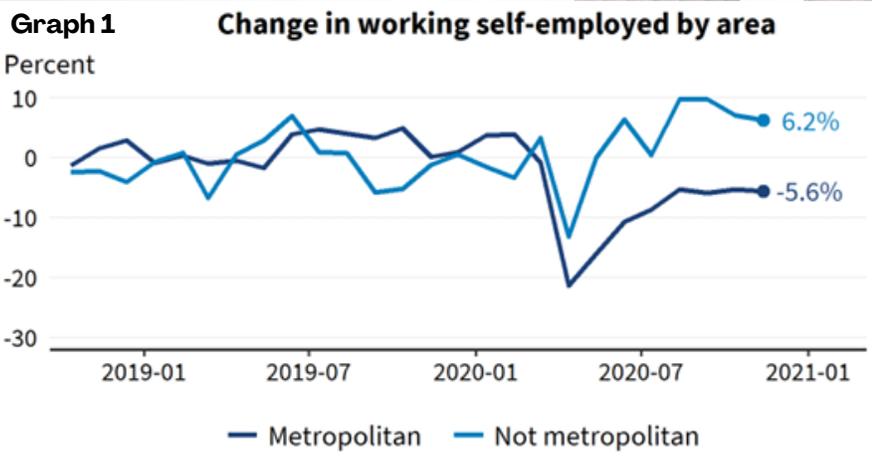
With \$20,000,000 in seed funding, Metro Nashville launched an RFP to recruit an experienced partner that will manage the fund and pursue additional investors to the Fund. By being housed outside Metro, the Fund can move quickly to acquire land. Metro will preset deal terms and guidelines for qualifying deals. For example, housing along transit access could be prioritized. The Centralized Housing Platform tool was crafted based on feedback from trusted local partners regarding a specific challenge to creating and preserving affordable housing. Proven models, including the New Generation Fund in Los Angeles and the Denver Regional TOD Fund, were used to deepen the understanding of what impact this tool could have in Nashville and at what scale.

Housing security is essential for the thriving of both households and communities. Research shows that students that are securely housed have improved school attendance, improved cognitive development, and improved educational outcomes. Affordable housing creation and preservation is an investment in the long-term health of Nashville. By using data driven successes from peer cities and recruiting a partner that can adjust the tool to serve Nashville's specific needs, the evidence is strong for immediate and long-lasting impact.

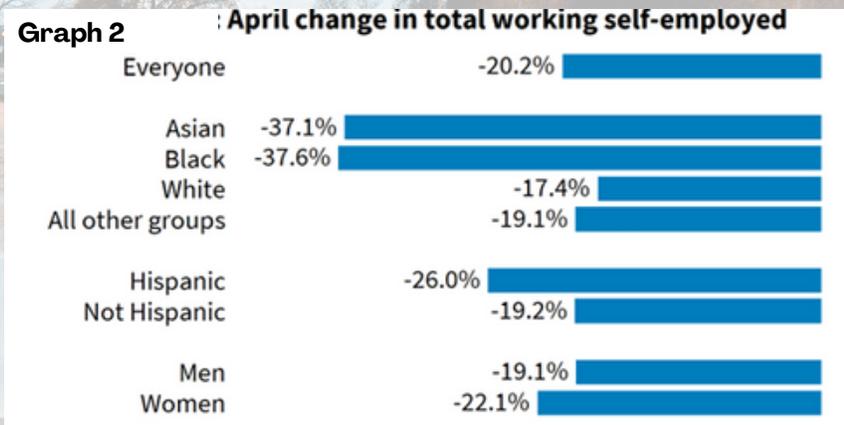
USE OF EVIDENCE

Nashville Small Business Relief Fund (\$20M)

The Mayor’s Office of Economic and Community Development recognizes the importance of ensuring that Nashville’s small businesses have the adequate support to recover from the impacts of the COVID-19 global pandemic. According to a study done by the U.S. Small Business Association Office of Advocacy, during the pandemic the rates of businesses closing neared statistics similar to the Great Depression, especially in metropolitan areas. In April 2020, metropolitan areas in the US neared, on average, a 21% drop in self-employment was seen in metropolitan areas, shown in Graph 1 below. Demographically, certain groups also experienced higher rates of decreased self-employment during the pandemic, shown in Graph 2 below.



Change relative to 12 months prior.
Source: Current Population Survey; BLS, Census, and IPUMS



Change from April 2019 to April 2020.
Source: Current Population Survey; BLS, Census, and IPUMS

Considering these metrics among others, the Nashville Small Business Relief Fund seeks to stimulate growth in areas of self-employment, specifically seeking financial assistance towards communities in Nashville, such as North Nashville and Bordeaux, that experienced economic disparities and impacts from COVID-19. The fund also delegated some award to the greater Nashville area to assist with the entire Metro community's bounce back from the pandemic.

PERFORMANCE REPORT

Metro recognizes the immense opportunity presented with the city and county's ARP award. Its two first priorities are to use these funds to impact its community in the greatest way possible while also ensuring that these funds are spent responsibly and within Treasury's guidance. To do the latter, Metro has instituted two types of guardrails to monitor the progress of projects funded by the American Rescue Plan. All projects approved by Metro Council have resolutions reviewed through the Finance, Office of Grants and Accountability, and Legal departments, as well as departments delegated to the project, if applicable.

For projects handled internally, the Finance Department's Chart of Accounts and Office of Management and Budget divisions created an accounting structure in a way that allows Metro to view the spending amounts for each project on a timely basis. For projects awarded to non-profits, at the time of the contract execution the non-profit provides a Grant Spending Plan, approved by Metro Finance, that shows expenditure projections by the non-profit. For each contract, the non-profit has reporting requirements included that stipulate the timing and content for reports provided to Metro. The contracts also stipulate certain quarterly interim reports to provide demographic information for communities served with the project and recipients of the funds. If the non-profit does not spend all awarded funds by the time of the contract's end-date, they must send back unspent funds to Metro so that they may be used for other projects. All non-profits must also keep records of expenditures for up to three years following the end of the contract.

Grant Spending Plan Template:

METROPOLITAN GOVERNMENT OF NASHVILLE AND DAVIDSON COUNTY

GRANT SPENDING PLAN

RECIPIENT NAME:

THE FOLLOWING IS APPLICABLE TO EXPENSES PLANNED TO
BE INCURRED DURING THE
CONTRACT GRANT PERIOD: (Start Date through End Date)

	EXPENSE OBJECT LINE-ITEM CATEGORY	METRO GRANT FUNDS	RECIPIENT MATCH (participation)	TOTAL PROJECT
	Salaries and Wages			\$0.00
	Benefits and Taxes [(PERCENT)]			\$0.00
	Professional Fees			\$0.00
	Supplies			\$0.00
	Communications			\$0.00
	Postage and Shipping			\$0.00
	Occupancy			\$0.00
	Equipment Rental and Maintenance			\$0.00
	Printing and Publications			\$0.00
	Travel/ Conferences and Meetings			\$0.00
	Insurance			\$0.00
	Specific Assistance to Individuals			\$0.00
	Other Non-Personnel			\$0.00
	GRAND TOTAL	\$0.00	\$0.00	\$0.00

KEY METRICS

performance goals for Metro's largest projects*

*as of 6.30.22



Barnes Fund

The Barnes Housing Trust Fund is a municipal housing trust fund that allows nonprofit developers to apply for grant funding to construct and preserve affordable housing options for Davidson County residents. Housing Trust Funds are a proven model for promoting affordable housing by providing additional subsidy and critical gap funding for affordable housing developments. Without this funding, many affordable housing developers would not be able to finance the high construction and labor costs associated with housing. Since its inception in 2013, the Barnes Housing Trust Fund has awarded \$85 million dollars to 29 community developers to create more than 4400 units of affordable housing. These numbers include the ARPA funding allocated to the Housing Trust Fund but does not include the funding allocated through the FY23 Metropolitan budget.

Subsequent to the reporting date and at the time of issuing this report, the Housing Trust Fund Commission voted to award fifteen community partners to create 774 units of affordable housing through the ARPA allocation. Applications included five homeownership proposals and ten rental proposals that spanned across 10 council districts and included fourteen parcels of Metro-owned delinquent tax properties. Both subsections of funding were depleted. Four organizations received funding from the small organization subsection, and eight organizations qualified for Urban Zoning Overlay funding. The Housing Trust Fund Commission has reviewed contracts for the ARPA grantees and legislation is currently being composed to bring for review to the Metropolitan Council in fall 2022.

KEY METRICS

performance goals for Metro's largest projects*

*as of 6.30.22



Catalyst Fund

Davidson County needs to increase annual production from the current average pace of 1,500 affordable units per year to 5,250 affordable units per year. Additionally, the city cannot afford to lose Naturally Occurring Affordable Housing as that only increases the pressure on current production. The Catalyst Fund will work to end the loss of affordable housing units. Partnering with a proven Fund Manager will allow the City to leverage these funds as a catalytic investment.

Metro's \$20M investment is an invitation and challenge to other partners to invest in the work of addressing affordable housing. This model has been proven time and again in other markets. The creation of the Catalyst Fund removes significant structural and expertise barriers for partners that want to invest but do not have the time or talent necessary to screen deals and establish term sheets. Metro, in collaboration with the selected Fund Manager, has set a goal of recruiting an additional \$30M in investment by March 31, 2023. This is an ambitious timeline but reflects the urgency of our City's housing needs. In the case that Metro is not able to meet the fundraising goal, the \$20M will still have substantial impact. With \$20M invested, the Catalyst Fund is projected to create or preserve 1,000 housing units.

KEY METRICS

performance goals for Metro's largest projects*

*as of 6.30.22



Cayce Place and Cumberland View

The housing market nationally and locally remains extremely competitive. The Metropolitan Development and Housing Agency, MDHA, is working on addressing the housing needs as well as safety concerns at its affordable housing sites. As MDHA is gearing up its housing production and unlocking housing investment, a challenge is addressing the aged infrastructure at their legacy developments. Although MDHA continues to develop new housing units at Cayce Place, a group of affordable housing units, the aging infrastructure at the site continues to be a concern and is hampering the project. Along with this challenge, there have been safety concerns at Cumberland View, an affordable housing apartment complex. MDHA has worked with the Mayor's Office, Metropolitan Nashville Police Department, Resident Associations, several non-profits and members of the Metropolitan Nashville Council to address these issues. To alleviate said issues, the COVID-19 Oversight Committee and Metro Council awarded MDHA \$15M in ARP funds to address the infrastructure and safety concerns at the Cayce Place and Cumberland View. This funding assists in the freeing up of cash flow to address housing production on the site at Cayce Place and address the safety concerns at Cumberland View, Napier Place, and Sudekum Apartments. The expected results for this ARP funding are as follows:

Cayce Place

- This funding should accelerate the Cayce Place projects by improving and implementing critical infrastructure for 1,100 planned units

Cumberland View

- Site security measures to include street traffic calming, additional lighting, ballads, and sidewalk work
- Overall increased safety and security for Cumberland View

KEY METRICS

performance goals for Metro's largest projects*

*as of 6.30.22



NSBRF

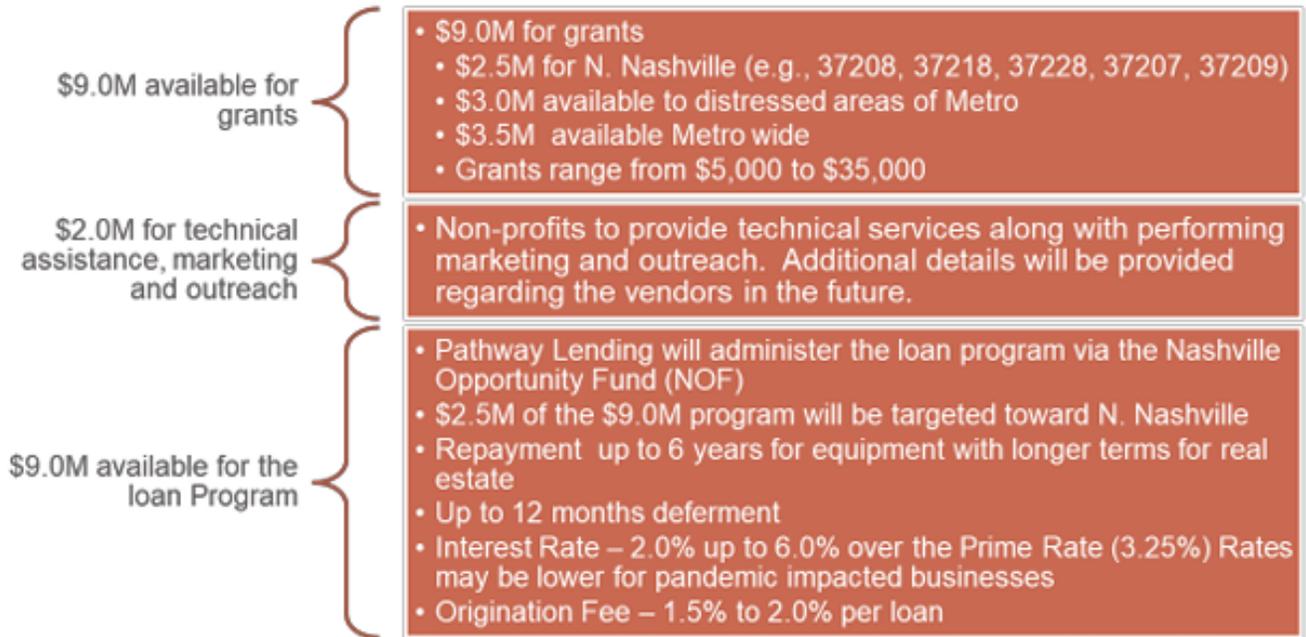
The program manager and partners shall collect demographic data on the ownership of each business that receives services under the NSBRF. Additionally, monthly reporting is required and shall include accounting of all grant funds, including identification of any business benefited from the services provided via the NSBRF. They will also include demographics of business ownership or any organization that receives benefits of NBIC services with the subject funds, including but not limited to Age, Race, Sex, and Zip Code. An example of the the monthly report can be found on the following page, and a full report of demographics for grant and loan recipients from the NSBRF will be provided in next year's performance report.

Subsequent to the reporting date and at the time of issuing this report, Mayor John Cooper announced that 468 small businesses will receive grants from the NSBRF, with an average of \$17,500 per award. All awards were fully funded on or before the filing of this report. Program support and grant awards prioritized \$2.5 million for North Nashville zip codes (37208, 37218, 37228, 37207, 37209), \$3.5 million for distressed areas, and the remaining \$3 million Metro wide in accordance with guidance set for the by Metro Council. Awards were first-come-first-served, and grants were made following the order of submission time and date stamps on eligible, completed applications. Eligible small businesses can still apply for loans at 2% interest from the \$9 million loan program that opened for applications alongside the grant program earlier this summer. Unlike the grant program, there is no deadline to apply for the loan program, and applications will remain open while funds are available.

Jason Luntz, an award recipient, commented, "My business was very fortunate to receive the Nashville Small Business Recovery Fund Grant. With these funds, we will be able to purchase some much-needed equipment, hire a part-time employee and focus on marketing to grow our customer base."

Examples of Small Business Relief Monthly Reports for Grant and Loan Programs

Program Details



Small Business Grant Program

Interim Report. Activities as of 6.30.22.

Background: Metropolitan Nashville contracted with Pathway Lending to establish and administer a Small Business Grant Program through the Nashville Small Business Recovery Program (NSBRP) to support local economic development by maintaining small business operations and creating/retaining employment in Metropolitan Nashville. The purpose of the Grant Program is to ensure that Nashville’s small businesses have the adequate support to recover from the impacts of the 2020 COVID-19 global pandemic. The contract term is March 15, 2022, through March 15, 2024.

Preparation for the Small Business Grant Program (Grant Program) included the following Milestones:

- Interest Form launched at www.pathwaylending.org to capture small business contacts.
- Design of grant application portal to facilitate grant submissions, evaluation, and management.
- Drafted Ver 1 Frequently Ask Questions (FAQs) for Grant Program operations and requirements.

- Engaged communications firms (small, women-, and minority-owned) for messaging and program outreach planning.
- Recruited and hired Director, Nashville Opportunity Fund to lead this programmatic effort.
- Held internal training sessions for Pathway Lending internal staff to manage customer communications, evaluate applications, review and process grant awards.
- Created collateral and communication materials for distribution to local, non-profit technical assistance partners (non-profit partners).
- Translated presentations, information sessions and outreach materials into Spanish.
- Engaged the University of Tennessee Language Center for interpretation services.
- Established a stipend program for affiliate non-profit organizations to broaden outreach and go deeper with communication efforts into targeted zip codes and census tracts.
- Hosted and coordinated a convening of non-profit partners to prepare for program launch (both virtual and in-person).
- Set up IT workstations at Pathway Lending for applicants needing internet access.
- Identified levels of technical assistance and language options provided by non-profit partners and distributed those to the partners, along with detailed contact information.
- Issued a media advisory and press release for program launch announcement
- Launched Phase I of a paid media campaign including billboards located in 5 target zip codes; direct mail postcard campaign in 5 target zip codes; inserts in North Nashville based newspaper, the Tennessee Tribune; paid Social Media posts and radio announcements on WFSK.
- Resource Page and Info Session enrollment launched at www.pathwaylending.org/nashville
- Dedicated assistance email launched at nashville@pathwaylending.org
- Grant Program opened June 29 - July 31, 2022

Information Sessions: Pathway Lending was required in Contract L-5115 to host four information sessions. This obligation has been met as of 7.12.22 with in-person, virtual and on demand (YouTube video) options. The following sessions had 583 pre-registrations. Actual attendance is not reflected.

- June 28, 7PM, Corner-to-Corner @ Yay Yay's: 68 (140 additional joining virtually)
- June 29, 6PM, Conexion Americas @ Conexion Americas: 5
- June 29, 7PM, Pathway Lending @ Pathway Lending Board Room: 65
- June 30, 5PM, Tennessee Latin American Chamber of Commerce (TLACC) (En Espanol) @ Plaza Mariachi: 20
- July 13, 6PM, Virtual, Tennessee Latin American Chamber of Commerce (TLACC) (En Espanol): 41
- July 14, 12PM, Virtual, Corner-to-Corner: 20
- July 18, 7PM, Equity Alliance @ Yay Yay's: 87
- July 21, 12PM, Corner-to-Corner @ North Nashville TBC: 8
- A recorded Info Session resides on Youtube which has 129 views as of 7.12.22

Key Messaging, Applicant Communication & Response

The NSBRP Guidelines stipulate eligible small businesses may receive funding through the Grant Program OR the Nashville Opportunity Fund (NOF) Loan Program also funded under RS2022-1356. To ensure small businesses understand these requirements and gain knowledge for informed decision making, the Call to Action (CTA) has been encouragement to Attend an Info Session (in person, virtual or on-demand.) The Program also recognizes small businesses have unique experiences and financial situations; also, they may or may not have accessed a variety of COVID Relief program. Therefore the messaging of “Funds to Refuel” was chosen to convey the overall benefit of participating in the Program without making assumptions or a statement on the condition of individual businesses.

Inbound telephone call volume to Pathway Lending requires a dedicated position for quick (typically within 24 hours during business days) response. Each telephone call is answered by a live person during business hours. Email inquiries for application submission, status checks, application remediation assistance have multiple dedicated positions for timely response (typically within 1-2 business days, depending on the complexity of the situation.) A team actively monitors and response to all inquiries and requests submitted through Nashville@PathwayLending.org. Through 7.12.22, Pathway has fielded a minimum of 220 e-mail ‘cases’ requiring responses.

Small businesses have endured numerous negative events during the pandemic and many grant applicants have needed assistance in submitting information and accessing application requirements. At any given time, application reviewers and client support teams within Pathway Lending are assisting 150-250 small businesses work through issues on their applications. To provide flexibility for these situations, Pathway Lending has allowed for a 24-hour remediation period (by 5 pm the following business day) to submit requested information. By exception, applicants may request extra days. Small businesses are also referred to the non-profit partners for technical assistance.

Application Volume & Early Results

Prior to the grant portal opening on Jun 29, interest for the Grant Program was extremely high with 400+ small business submitting contact information through the online Interest Form. As of June 30, 2022, the grant review process was just beginning. No award, demographic, or program data is available for 6.30.22. No grants have been awarded by this 6.30.22 reporting deadline.

Small Business Loan Program Interim Report. Activities as of 6.30.22.

Background: Metropolitan Nashville contracted with Pathway Lending to expand and operate the Pathway Lending Nashville Opportunity Fund (NOF) with a \$9MM grant through the Nashville Small Business Recovery Program (NSBRP) to support local economic development by maintaining small business operations and creating/retaining employment in Metropolitan Nashville. The purpose of the Grant Program is to ensure that Nashville's small businesses have the adequate support to recover from the impacts of the 2020 COVID-19 global pandemic. Contract term is March 15, 2022, to March 15, 2024.

Preparation for the NOF Program (Loan Program) included the following Milestones:

- Interest Form launched at www.pathwaylending.org to capture small business contacts.
- Configuration of loan inquiry form and loan application portal to submissions, underwriting and portfolio management.
- Drafted Ver 1 Frequently Ask Questions (FAQs) for Loan Program operations and requirements.
- Engaged communications firms (small, women-, and minority-owned) for messaging and program outreach planning.
- Recruited and hired Director, Nashville Opportunity Fund to lead this programmatic effort.
- Held internal training sessions for Pathway Lending internal staff to manage customer communications, evaluate applications, review, and process loan applications.
- Created collateral and communication materials for distribution to local, non-profit technical assistance partners (non-profit partners).
- Translated presentations, information sessions and outreach materials into Spanish.
- Engaged the University of Tennessee Language Center for interpretation services.
- Established a stipend program for affiliate non-profit organizations to broaden outreach and go deeper with communication efforts into targeted zip codes and census tracts.
- Hosted and coordinated a convening of non-profit partners to prepare for program launch (both virtual and in-person).
- Set up IT workstations at Pathway Lending for applicants needing internet access.
- Identified levels of technical assistance and language options provided by non-profit partners and distributed those to the partners, along with detailed contact information.
- Issued a media advisory and press release for program launch announcement
- Launched Phase I of a paid media campaign including billboards located in 5 target zip codes; direct mail postcard campaign in 5 target zip codes; inserts in North Nashville based newspaper, the Tennessee Tribune; paid Social Media posts and radio announcements on WFSK.
- Resource Page and Info Session enrollment launched at www.pathwaylending.org/nashville
- Dedicated assistance email launched at nashville@pathwaylending.org
- Program opened June 29 and continues until loan funds are fully committed.

Information Sessions: Pathway Lending is required in Contract L-5116 to host four information sessions. This obligation was met as of 7.12.22 with person, virtual and on demand (YouTube video) options. The following sessions had 583 pre-registrations. Actual attendance is not reflected.

- June 28, 7PM, Corner-to-Corner @ Yay Yay's: 68 (140 additional joining virtually)
- June 29, 6PM, Conexion Americas @ Conexion Americas: 5
- June 29, 7PM, Pathway Lending @ Pathway Lending Board Room: 65
- June 30, 5PM, Tennessee Latin American Chamber of Commerce (TLACC) (En Espanol) @ Plaza Mariachi: 20
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Key Messaging, Applicant Communication & Response

The NSBRP Guidelines stipulate eligible small businesses may receive funding through the NOF Loan Program OR the Nashville Small Business Grant Program also funded under RS2022-1356. To ensure small businesses understand these requirements and gain knowledge for informed decision making, the Call to Action (CTA) has been encouragement to Attend an Info Session (in person, virtual or on-demand.) The Program also recognizes small businesses have unique experiences and financial situations; also, they may or may not have accessed a variety of COVID Relief program. Therefore the messaging of "Funds to Refuel" was chosen to convey the overall benefit of participating in the Program without making assumptions or a statement on the condition of individual businesses.

Inbound telephone call volume to Pathway Lending requires a dedicated position for quick (typically within 24 hours during business days) response. Each telephone call is answered by a live person during business hours. Email inquiries for application submission, status, and application assistance have multiple dedicated positions for timely response (typically within 1-2 business days.) A team actively monitors and response to all inquiries and requests submitted through Nashville@PathwayLending.org.

Small businesses have endured numerous negative events during the pandemic and many grant applicants have needed assistance in submitting information and accessing application requirements. At any given time, application intake specialists, underwriters and client support teams within Pathway Lending are assisting several small businesses work through issues on their applications. Small businesses are also referred to the non-profit partners for technical assistance, as needed.

Application Volume & Early Results

Through June 30, 2022, 17 loan inquiries totaling \$1,201,000 were submitted. No loans were underwritten or originated as of 6/30/2022 and no demographic/program information validated at this early date.

Program Outlook

Pathway staff will continue to participate in information sessions, community engagement and outreach events to bring awareness to the Grant Program. Emphasis for these efforts will focus on the priority North Nashville zip codes and distressed census tracts. Notable is the North Nashville Chamber Event on July 13, 2022, where Mayor Cooper will speak, and NOF Director will provide Program information.

PROJECT INVENTORY

While Metro is including all of its American Rescue Plan projects under the expenditure category of Government Services, we also strive for transparency in reporting and further detail. Below is a catalogued list of all resolutions passed by Council for the use of ARP funds.

This list encompasses all projects as of June 30, 2022. Further detail of each project may be accessed via Metro's public legislator resolution lookup at <https://nashville.legistar.com/Legislation.aspx>. Per Treasury's guidance to "include key performance indicators for your jurisdiction's major SLFRF funded project," a more in-depth inventory is provided for our two largest projects, those related to affordable housing and small business recovery.



Metro ARP Projects by Resolution

(listed earliest to latest Council approval date)

Resolution Appropriating Funds	Brief Description	Amount
RS2021-966	pilot program for mental health professionals to ride with MNPD	\$561,816
RS2021-966	to advance electronic health records	\$184,000
RS2021-966	operating subsidies to replace lost revenue at these venues	\$2,111,800
RS2021-966	resources to address trial backlog	\$55,000
RS2021-1116	rent, mortgage and utility assistance for individuals with 80%+ AMI	\$3,000,000
RS2021-1150	fleet, cardiac monitors, & shower/toilet trailer	\$4,745,500
RS2021-1152	temp staffing and grant funds to address backlog of needed services	\$3,148,980
RS2021-1203	3 fellowship positions (affordable housing, resiliency, learning loss)	\$150,000
RS2021-1204	Brookemeade repairs & improvements	\$1,260,000
RS2021-1205	public emergency response fleet	\$996,500
RS2021-1206	public emergency response fund	\$1,000,000
RS2021-1207	temp staffing, sheltering, expand SOAR, landlord voucher bonuses	\$1,541,400
RS2021-1260	\$20M each to Barnes & Catalyst Fund, \$200k-housing support software	\$40,200,000
RS2021-1261	NCVC for culturally diversified event sponsorships	\$750,000
RS2021-1262	HVAC upgrades per CDC	\$7,226,000

Metro ARP Projects by Resolution, continued (listed earliest to latest Council approval date)

Resolution Appropriating Funds	Brief Description	Amount
RS2021-1263	fleet vehicles for MNPd, DCsO and NDOT	\$9,069,614
RS2021-1264	rental trucks for trash removal for MWS	\$2,380,640
RS2022-1307	Violence Reduction & Community Safety	\$1,060,000
RS2022-1310	Napier-Sudekum Community Safety Plan	\$300,000
RS2022-1311	Infrastructure to allow more affordable housing and safety at Cumberland View	\$15,000,000
RS2022-1313	Crisis Intervention Training and expansion of pilot program with MHC	\$350,000
RS2022-1356	Nashville Small Business Recovery Plan	\$20,000,000
RS2022-1357	Economic Development Plan and Market Value Analysis	\$1,100,000
RS2022-1362	Fairgrounds Flea Market Vendor Rent Relief	\$1,046,000
RS2022-1450	Funding existing childcare centers as well as home-based centers	\$7,519,000
RS2022-1494	Strategy for independent music venues assistance	\$ 260,000
RS2022-1558	Administrative expenses	\$398,000
RS2022-1559	Right to eviction counsel	\$2,600,851
RS2022-1560	Immigration support services	\$1,820,585